

105TH CONGRESS
1ST SESSION

S. 778

To authorize a new trade and investment policy for sub-Saharan Africa.

IN THE SENATE OF THE UNITED STATES

MAY 21, 1997

Mr. LUGAR introduced the following bill; which was read twice and referred
to the Committee on Finance

A BILL

To authorize a new trade and investment policy for sub-Saharan Africa.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “African Growth and
5 Opportunity Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that it is in the mutual economic
8 interest of the United States and sub-Saharan Africa to
9 promote stable and sustainable economic growth and de-
10 velopment in sub-Saharan Africa. To that end, the United
11 States seeks to facilitate the social and economic develop-

1 ment of the countries of sub-Saharan Africa in a manner
2 which strengthens and expands market-led economic
3 growth consistent with equitable and efficient development
4 and which reduces poverty and increases employment
5 among the poor. In particular, the United States seeks
6 to assist sub-Saharan African countries to achieve eco-
7 nomic self-reliance by—

8 (1) strengthening and expanding the private
9 sector in sub-Saharan Africa, especially women-
10 owned businesses;

11 (2) encouraging increased trade and investment
12 between the United States and sub-Saharan Africa;

13 (3) reducing tariff and nontariff barriers and
14 other trade obstacles;

15 (4) expanding United States assistance to sub-
16 Saharan Africa's regional integration efforts;

17 (5) negotiating free trade areas;

18 (6) establishing a United States-Sub-Saharan
19 Africa Trade and Investment Partnership;

20 (7) focusing on countries committed to account-
21 able government, economic reform, and the eradi-
22 cation of poverty;

23 (8) establishing a United States-Sub-Saharan
24 Africa Economic Cooperation Forum; and

1 (9) continuing to support development assist-
2 ance for those countries in sub-Saharan Africa at-
3 tempting to build civil societies.

4 **SEC. 3. STATEMENT OF POLICY.**

5 The Congress supports economic self-reliance for sub-
6 Saharan African countries, particularly those committed
7 to—

- 8 (1) economic and political reform;
- 9 (2) market incentives and private sector growth;
- 10 (3) the eradication of poverty; and
- 11 (4) the importance of women to economic
- 12 growth and development.

13 **SEC. 4. ELIGIBILITY REQUIREMENTS.**

14 (a) IN GENERAL.—A sub-Saharan African country
15 shall be eligible to participate in programs, projects, or
16 activities, or receive assistance or other benefits under this
17 Act for a fiscal year only if the President determines that
18 the country has established, or is making continual
19 progress toward establishing, a market-based economy,
20 such as the establishment and enforcement of appropriate
21 policies relating to—

- 22 (1) promoting free movement of goods and serv-
23 ices and factors of production between the United
24 States and sub-Saharan Africa;

1 (2) promoting the expansion of the production
2 base and the transformation of commodities and
3 nontraditional products for exports through joint
4 venture projects between African and United States
5 companies;

6 (3) trade issues, such as protection of intellec-
7 tual property rights, improvements in standards,
8 testing, labeling and certification, and government
9 procurement;

10 (4) the protection of property rights, such as
11 protection against expropriation and a functioning
12 and fair judicial system;

13 (5) tax issues, such as reducing high import
14 and corporate taxes, controlling government con-
15 sumption, participation in bilateral investment trea-
16 ties, and the harmonization of such treaties to avoid
17 double taxation;

18 (6) foreign investment issues, such as the provi-
19 sion of national treatment for foreign investors and
20 other measures to attract foreign investors;

21 (7) supporting the growth of regional markets
22 within a free trade area framework;

23 (8) regulatory issues, such as eliminating gov-
24 ernment corruption, minimizing government inter-
25 vention in the market, monitoring the fiscal and

1 monetary policies of the government, and supporting
2 the growth of the private sector, in particular by
3 promoting the emergence of a new generation of Af-
4 rican entrepreneurs;

5 (9) encouraging the private ownership of gov-
6 ernment-controlled economic enterprises through di-
7 vestiture programs;

8 (10) removing restrictions on investment; and

9 (11) the reduction of poverty, such as the provi-
10 sion of basic health and education for poor citizens,
11 the expansion of physical infrastructure in a manner
12 designed to maximize accessibility, increased access
13 to market and credit facilities for small farmers and
14 producers, and improved economic opportunities for
15 women as entrepreneurs and employees.

16 (b) ADDITIONAL FACTORS.—In determining whether
17 a sub-Saharan African country is eligible under subsection
18 (a), the President shall take into account the following fac-
19 tors:

20 (1) An expression by such country of its desire
21 to be an eligible country under subsection (a).

22 (2) The extent to which such country has made
23 substantial progress toward—

24 (A) reducing tariff levels;

1 (B) binding its tariffs in the World Trade
 2 Organization and assuming meaningful binding
 3 obligations in other sectors of trade; and

4 (C) eliminating nontariff barriers to trade.

5 (3) Whether such country, if not already a
 6 member of the World Trade Organization, is actively
 7 pursuing membership in that Organization.

8 (4) The extent to which such country is in ma-
 9 terial compliance with its programs with and its obli-
 10 gation to the International Monetary Fund and
 11 other international financial institutions.

12 (c) CONTINUING COMPLIANCE.—

13 (1) MONITORING AND REVIEW OF CERTAIN
 14 COUNTRIES.—The President shall monitor and re-
 15 view the progress of those sub-Saharan African
 16 countries that have been determined to be eligible
 17 under subsection (a) but are in need of making con-
 18 tinual progress in meeting one or more of the re-
 19 quirements of such subsection.

20 (2) INELIGIBILITY OF CERTAIN COUNTRIES.—A
 21 sub-Saharan African country described in paragraph
 22 (1) that has not made continual progress in meeting
 23 the requirements with which it is not in compliance
 24 shall be ineligible to participate in programs,

1 projects, or activities, or receive assistance or other
 2 benefits, under this Act.

3 **SEC. 5. ADDITIONAL AUTHORITIES AND INCREASED FLEXI-**
 4 **BILITY TO PROVIDE ASSISTANCE UNDER THE**
 5 **DEVELOPMENT FUND FOR AFRICA.**

6 (a) USE OF SUSTAINABLE DEVELOPMENT ASSIST-
 7 ANCE TO SUPPORT FURTHER ECONOMIC GROWTH.—It is
 8 the sense of the Congress that sustained economic growth
 9 in sub-Saharan Africa depends in large measure upon the
 10 development of a receptive environment for trade and in-
 11 vestment, and that to achieve this objective the United
 12 States Agency for International Development should con-
 13 tinue to support programs which help to create this envi-
 14 ronment. Investments in human resources, development,
 15 and implementation of free market policies, including poli-
 16 cies to liberalize agricultural markets and improve food se-
 17 curity, and the support for the rule of law and democratic
 18 governance should continue to be encouraged and en-
 19 hanced on a bilateral and regional basis.

20 (b) DECLARATIONS OF POLICY.—The Congress
 21 makes the following declarations:

22 (1) The Development Fund for Africa estab-
 23 lished under chapter 10 of part I of the Foreign As-
 24 sistance Act of 1961 (22 U.S.C. 2293 et seq.) has

1 been an effective tool in providing development as-
2 sistance to sub-Saharan Africa since 1988.

3 (2) The Development Fund for Africa will com-
4 plement the other provisions of this Act and lay a
5 foundation for increased trade and investment op-
6 portunities between the United States and sub-Saha-
7 ran Africa.

8 (3) Assistance provided through the Develop-
9 ment Fund for Africa will continue to support pro-
10 programs and activities that promote the long term eco-
11 nomic development of sub-Saharan Africa, such as
12 programs and activities relating to the following:

13 (A) Strengthening primary and vocational
14 education systems, especially the acquisition of
15 middle-level technical skills for operating mod-
16 ern private businesses and the introduction of
17 college level business education, including the
18 study of international business, finance, and
19 stock exchanges.

20 (B) Strengthening health care systems.

21 (C) Strengthening family planning service
22 delivery systems.

23 (D) Supporting democratization, good gov-
24 ernance and civil society and conflict resolution
25 efforts.

1 (E) Increasing food security by promoting
 2 the expansion of agricultural and agriculture-
 3 based industrial production and productivity
 4 and increasing real incomes for poor individ-
 5 uals.

6 (F) Promoting an enabling environment
 7 for private sector-led growth through sustained
 8 economic reform, privatization programs, and
 9 market-led economic activities.

10 (G) Promoting decentralization and local
 11 participation in the development process, espe-
 12 cially linking the rural production sectors and
 13 the industrial and market centers throughout
 14 Africa.

15 (H) Increasing the technical and manage-
 16 rial capacity of sub-Saharan African individuals
 17 to manage the economy of sub-Saharan Africa.

18 (I) Ensuring sustainable economic growth
 19 through environmental protection.

20 (4) The African Development Foundation has a
 21 unique congressional mandate to empower the poor
 22 to participate fully in development and to increase
 23 opportunities for gainful employment, poverty allevi-
 24 ation, and more equitable income distribution in sub-
 25 Saharan Africa. The African Development Founda-

tion has worked successfully to enhance the role of women as agents of change, strengthen the informal sector with an emphasis on supporting micro and small sized enterprises, indigenous technologies, and mobilizing local financing. The African Development Foundation should develop and implement strategies for promoting participation in the socioeconomic development process of grassroots and informal sector groups such as nongovernmental organizations, co-operatives, artisans, and traders into the programs and initiatives established under this Act.

(c) ADDITIONAL AUTHORITIES.—

(1) IN GENERAL.—Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

“(3) DEMOCRATIZATION AND CONFLICT RESOLUTION CAPABILITIES.—Assistance under this section may also include program assistance—

“(A) to promote democratization, good governance, and strong civil societies in sub-Saharan Africa; and

1 “(B) to strengthen conflict resolution capa-
2 bilities of governmental, intergovernmental, and
3 nongovernmental entities in sub-Saharan
4 Africa.”.

5 (2) CONFORMING AMENDMENT.—Section
6 496(h)(4) of such Act, as amended by paragraph
7 (1), is further amended by striking “paragraphs (1)
8 and (2)” in the first sentence and inserting “para-
9 graphs (1), (2), and (3)”.

10 (d) WAIVER AUTHORITY.—Section 496 of the For-
11 eign Assistance Act of 1961 (22 U.S.C. 2293) is amended
12 by adding at the end the following:

13 “(p) WAIVER AUTHORITY.—

14 “(1) IN GENERAL.—Except as provided in para-
15 graph (2), the President may waive any provision of
16 law that earmarks, for a specified country, organiza-
17 tion, or purpose, funds made available to carry out
18 this chapter if the President determines that the
19 waiver of such provision of law would provide in-
20 creased flexibility in carrying out this chapter.

21 “(2) EXCEPTIONS.—

22 “(A) CHILD SURVIVAL ACTIVITIES.—The
23 authority contained in paragraph (1) may not
24 be used to waive a provision of law that ear-

marks funds made available to carry out this chapter for the following purposes:

“(i) Immunization programs.

“(ii) Oral rehydration programs.

“(iii) Health and nutrition programs, and related education programs, which address the needs of mothers and children.

“(iv) Water and sanitation programs.

“(v) Assistance for displaced and orphaned children.

“(vi) Programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria, and other diseases.

“(vii) Basic education programs for children.

“(viii) Contribution on a grant basis to the United Nations Children’s Fund (UNICEF) pursuant to section 301 of this Act.

“(B) REQUIREMENT TO SUPERSEDE WAIVER AUTHORITY.—The provisions of this subsection shall not be superseded except by a provision of law enacted after the date of the enactment of the African Growth and Opportunity

1 Act which specifically repeals, modifies, or su-
2 persedes such provisions.”.

3 **SEC. 6. UNITED STATES–SUB-SAHARAN AFRICA TRADE AND**
4 **ECONOMIC COOPERATION FORUM.**

5 (a) DECLARATION OF POLICY.—The President shall
6 convene annual high-level meetings between appropriate
7 officials of the United States Government and officials of
8 the governments of sub-Saharan African countries in
9 order to foster close economic ties between the United
10 States and sub-Saharan Africa.

11 (b) ESTABLISHMENT.—Not later than 12 months
12 after the date of the enactment of this Act, the President,
13 after consulting with the governments concerned, shall es-
14 tablish a United States–Sub-Saharan Africa Trade and
15 Economic Cooperation Forum (hereafter in this section re-
16 ferred to as the “Forum”).

17 (c) REQUIREMENTS.—In creating the Forum, the
18 President shall meet the following requirements:

19 (1) The President shall direct the Secretary of
20 Commerce, the Secretary of the Treasury, the Sec-
21 retary of State, and the United States Trade Rep-
22 resentative to host the first annual meeting with the
23 counterparts of such Secretaries from the govern-
24 ments of sub-Saharan African countries eligible
25 under section 4, the Secretary General of the Orga-

1 nization of African Unity, and government officials
2 from other appropriate countries in Africa, to dis-
3 cuss expanding trade and investment relations be-
4 tween the United States and sub-Saharan Africa
5 and the implementation of this Act.

6 (2)(A) The President, in consultation with the
7 Congress, shall encourage United States nongovern-
8 mental organizations to host annual meetings with
9 nongovernmental organizations from sub-Saharan
10 Africa in conjunction with the annual meetings of
11 the Forum for the purpose of discussing the issues
12 described in paragraph (1).

13 (B) The President, in consultation with the
14 Congress, shall encourage United States representa-
15 tives of the private sector to host annual meetings
16 with representatives of the private sector from sub-
17 Saharan Africa in conjunction with the annual meet-
18 ings of the Forum for the purpose of discussing the
19 issues described in paragraph (1).

20 (3) The President shall, to the extent prac-
21 ticable, meet with the heads of governments of sub-
22 Saharan African countries eligible under section 4
23 not less than once every two years for the purpose
24 of discussing the issues described in paragraph (1).
25 The first such meeting should take place not later

1 than twelve months after the date of the enactment
2 of this Act.

3 (d) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated such sums as may be
5 necessary to carry out this section.

6 **SEC. 7. UNITED STATES-SUB-SAHARAN AFRICA FREE**
7 **TRADE AREA.**

8 (a) DECLARATION OF POLICY.—The Congress de-
9 clares that a United States-Sub-Saharan Africa Free
10 Trade Area should be established, or free trade agree-
11 ments should be entered into, in order to serve as the cata-
12 lyst for increasing trade between the United States and
13 sub-Saharan Africa and increasing private sector develop-
14 ment in sub-Saharan Africa.

15 (b) PLAN REQUIREMENT.—

16 (1) IN GENERAL.—The President, taking into
17 account the provisions of the treaty establishing the
18 African Economic Community and the willingness of
19 the governments of Sub-Saharan African countries
20 to engage in negotiations to enter into free trade
21 agreements, shall develop a plan for the purpose of
22 entering into one or more trade agreements with
23 sub-Saharan African countries eligible under section
24 4 in order to establish a United States–Sub-Saharan

1 Africa Free Trade Area (hereafter in this section re-
2 ferred to as the “Free Trade Area”).

3 (2) ELEMENTS OF PLAN.—The plan shall in-
4 clude the following:

5 (A) The specific objectives of the United
6 States with respect to the establishment of the
7 Free Trade Area and a suggested timetable for
8 achieving those objectives.

9 (B) The benefits to both the United States
10 and sub-Saharan Africa with respect to the
11 Free Trade Area.

12 (C) A mutually agreed-upon timetable for
13 establishing the Free Trade Area.

14 (D) The implications for and the role of
15 regional and sub-regional organizations in sub-
16 Saharan Africa with respect to the Free Trade
17 Area.

18 (E) Subject matter anticipated to be cov-
19 ered by the agreement for establishing the Free
20 Trade Area and United States laws, programs,
21 and policies, as well as the laws of participating
22 eligible African countries and existing bilateral
23 and multilateral and economic cooperation and
24 trade agreements, that may be affected by the
25 agreement or agreements.

1 (F) Procedures to ensure the following:

2 (i) Adequate consultation with the
3 Congress and the private sector during the
4 negotiation of the agreement or agree-
5 ments for establishing the Free Trade
6 Area.

7 (ii) Consultation with the Congress re-
8 garding all matters relating to implementa-
9 tion of the agreement or agreements.

10 (iii) Approval by the Congress of the
11 agreement or agreements.

12 (iv) Adequate consultations with the
13 relevant African governments and African
14 regional and subregional intergovernmental
15 organizations during the negotiations of
16 the agreement or agreements.

17 (c) REPORTING REQUIREMENT.—Not later than 12
18 months after the date of the enactment of this Act, the
19 President shall prepare and transmit to the Congress a
20 report containing the plan developed pursuant to sub-
21 section (b).

22 **SEC. 8. ELIMINATING TRADE BARRIERS AND ENCOURAG-**
23 **ING EXPORTS.**

24 (a) FINDINGS.—The Congress makes the following
25 findings:

1 (1) The lack of competitiveness of sub-Saharan
2 Africa in the global market, especially in the manu-
3 facturing sector, make it a limited threat to market
4 disruption and no threat to United States jobs.

5 (2) Annual textile and apparel exports to the
6 United States from sub-Saharan Africa represent
7 less than 1 percent of all textile and apparel exports
8 to the United States, which totaled \$45,932,000,000
9 in 1996.

10 (3) Sub-Saharan Africa has limited textile man-
11 ufacturing capacity. During 1998 and the succeed-
12 ing 4 years, this limited capacity to manufacture
13 textiles and apparel is projected to grow at a modest
14 rate. Given this limited capacity to export textiles
15 and apparel, it will be very difficult for these exports
16 from sub-Saharan Africa, during 1998 and the suc-
17 ceeding 9 years, to exceed 3 percent annually of
18 total imports of textile and apparel to the United
19 States. If these exports from sub-Saharan Africa re-
20 main around 3 percent of total imports, they will not
21 represent a threat to United States workers, con-
22 sumers, or manufacturers.

23 (b) SENSE OF THE CONGRESS.—It is the sense of
24 the Congress that—

1 (1) it would be to the mutual benefit of the
 2 countries in sub-Saharan Africa and the United
 3 States to ensure that the commitments of the World
 4 Trade Organization and associated agreements are
 5 faithfully implemented in each of the member coun-
 6 tries, so as to lay the groundwork for sustained
 7 growth in textile and apparel exports and trade
 8 under agreed rules and disciplines;

9 (2) reform of trade policies in sub-Saharan Af-
 10 rica with the objective of removing structural im-
 11 pediments to trade, consistent with obligations under
 12 the World Trade Organization, can assist the coun-
 13 tries of the region in achieving greater and greater
 14 diversification of textile and apparel export commod-
 15 ities and products and export markets; and

16 (3) the President should support textile and ap-
 17 parel trade reform in sub-Saharan Africa by, among
 18 other measures, providing technical assistance, shar-
 19 ing of information to expand basic knowledge of how
 20 to trade with the United States, and encouraging
 21 business-to-business contacts with the region.

22 (c) TREATMENT OF QUOTAS.—

23 (1) KENYA AND MAURITIUS.—Pursuant to the
 24 Agreement on Textiles and Clothing, the United

1 States shall eliminate the existing quotas on textile
2 and apparel exports to the United States—

3 (A) from Kenya within 30 days after that
4 country adopts a cost-effective and efficient visa
5 system to guard against unlawful trans-
6 shipment of textile and apparel goods; and

7 (B) from Mauritius within 30 days after
8 that country adopts such a visa system.

9 The Customs Service shall provide the necessary as-
10 sistance to Kenya and Mauritius in the development
11 and implementation of those visa systems. The Cus-
12 toms Service shall monitor and the Commissioner of
13 Customs shall submit to the Congress, not later than
14 March 31 of each year, a report on the effectiveness
15 of those visa systems during the preceding calendar
16 year.

17 (2) OTHER SUB-SAHARAN COUNTRIES.—The
18 President shall continue the existing no quota policy
19 for countries in sub-Saharan Africa. The President
20 shall submit to the Congress, not later than March
21 31 of each year, a report on the growth in textiles
22 and apparel exports to the United States from coun-
23 tries in sub-Saharan Africa in order to protect Unit-
24 ed States consumers, workers, and textile manufac-
25 turers from economic injury on account of the no

1 quota policy. The President should ensure that any
 2 country in sub-Saharan Africa that intends to export
 3 substantial textile and apparel goods to the United
 4 States has in place a functioning and efficient visa
 5 system to guard against unlawful transshipment of
 6 textile and apparel goods.

7 (d) DEFINITION.—For purposes of this section, the
 8 term “Agreement on Textiles and Clothing” means the
 9 Agreement on Textiles and Clothing referred to in section
 10 101(d)(4) of the Uruguay Round Agreements Act (19
 11 U.S.C. 3511(d)(4)).

12 **SEC. 9. GENERALIZED SYSTEM OF PREFERENCES.**

13 (a) PREFERENTIAL TARIFF TREATMENT FOR CER-
 14 TAIN ARTICLES.—Section 503(a)(1) of the Trade Act of
 15 1974 (19 U.S.C. 2463(a)) is amended—

16 (1) by redesignating subparagraph (C) as sub-
 17 paragraph (D); and

18 (2) by inserting after subparagraph (B) the fol-
 19 lowing:

20 “(C) ELIGIBLE COUNTRIES IN SUB-SAHA-
 21 RAN AFRICA.—The President may provide duty-
 22 free treatment for any article set forth in para-
 23 graph (1) of subsection (b) that is the growth,
 24 product, or manufacture of an eligible country
 25 in sub-Saharan Africa that is a beneficiary de-

veloping country, if, after receiving the advice of the International Trade Commission in accordance with subsection (e), the President determines that such article is not import-sensitive in the context of imports from eligible countries in sub-Saharan Africa. This subparagraph shall not affect the designation of eligible articles under subparagraph (B).”.

(b) RULES OF ORIGIN.—Section 503(a)(2) of the Trade Act of 1974 (19 U.S.C. 2463(a)(2)) is amended by adding at the end the following:

“(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—For purposes of determining the percentage referred to in subparagraph (A) in the case of an article of an eligible country in sub-Saharan Africa that is a beneficiary developing country—

“(i) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the

1 percentage referred to in subparagraph
2 (A); and

3 “(ii) the cost or value of the materials
4 included with respect to that article that
5 are produced in any beneficiary developing
6 country that is an eligible country in sub-
7 Saharan Africa shall be applied in deter-
8 mining such percentage.”.

9 (c) WAIVER OF COMPETITIVE NEED LIMITATION.—
10 Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C.
11 2463(c)(2)(D)) is amended to read as follows:

12 “(D) LEAST-DEVELOPED BENEFICIARY
13 DEVELOPING COUNTRIES AND ELIGIBLE COUN-
14 TRIES IN SUB-SAHARAN AFRICA.—Subpara-
15 graph (A) shall not apply to any least-developed
16 beneficiary developing country or any eligible
17 country in sub-Saharan Africa.”.

18 (c) EXTENSION OF PROGRAM.—Section 505 of the
19 Trade Act of 1974 (19 U.S.C. 2465) is amended to read
20 as follows:

21 **“SEC. 505. DATE OF TERMINATION.**

22 “(a) COUNTRIES IN SUB-SAHARAN AFRICA.—No
23 duty-free treatment provided under this title shall remain
24 in effect after May 31, 2007, with respect to beneficiary

1 developing countries that are eligible countries in sub-Sa-
 2 haran Africa.

3 “(b) OTHER COUNTRIES.—No duty-free treatment
 4 provided under this title shall remain in effect after May
 5 31, 1997, with respect to beneficiary developing countries
 6 other than those provided for in subsection (a).”.

7 (d) DEFINITION.—Section 507 of the Trade Act of
 8 1974 (19 U.S.C. 2467) is amended by adding at the end
 9 the following:

10 “(6) ELIGIBLE COUNTRY IN SUB-SAHARAN AF-
 11 RICA.—The terms ‘eligible country in sub-Saharan
 12 Africa’ and ‘eligible countries in sub-Saharan Africa’
 13 means a country or countries that the President has
 14 determined to be eligible under section 4 of the Afri-
 15 can Growth and Opportunity Act.”.

16 **SEC. 10. INTERNATIONAL FINANCIAL INSTITUTIONS AND**
 17 **DEBT REDUCTION.**

18 (a) INTERNATIONAL FINANCIAL INSTITUTIONS.—(1)
 19 It is the sense of the Congress that international financial
 20 institutions and improved application of programs such as
 21 those of the International Development Association, the
 22 African Development Bank, the African Development
 23 Fund, and the Enhanced Structural Adjustment Facility
 24 of the International Monetary Fund are vital to achieving
 25 the purposes of this Act.

1 (2) The Congress supports the efforts of the executive
2 branch to encourage international financial institutions to
3 develop enhanced mechanisms for providing financing for
4 countries eligible under section 4, consistent with the pur-
5 poses of this Act.

6 (b) DEBT REDUCTION.—(1) It is the sense of the
7 Congress that the executive branch should extinguish
8 concessional debt owed to the United States by the poorest
9 countries in sub-Saharan Africa that are heavily indebted
10 and pursuing bold growth-oriented policies, and that the
11 executive branch should seek comparable action by other
12 creditors of such countries.

13 (2) The Congress supports the efforts of the executive
14 branch to secure agreement from international financial
15 institutions on maximum debt reduction for sub-Saharan
16 Africa as part of the multilateral initiative referred to as
17 the Heavily Indebted Poor Countries (HIPC) initiative.

18 (c) EXECUTIVE BRANCH INITIATIVES.—The Con-
19 gress supports and encourages the implementation of the
20 following initiatives of the executive branch:

21 (1) AMERICAN-AFRICAN BUSINESS PARTNER-
22 SHIP.—The Agency for International Development
23 devoting up to \$1,000,000 annually to help catalyze
24 relationships between United States firms and firms

1 in sub-Saharan Africa through a variety of business
2 associations and networks.

3 (2) TECHNICAL ASSISTANCE TO PROMOTE RE-
4 FORMS.—The Agency for International Development
5 providing up to \$5,000,000 annually in short-term
6 technical assistance programs to help the govern-
7 ments of sub-Saharan African countries to—

8 (A) liberalize trade and promote exports;

9 (B) bring their legal regimes into compli-
10 ance with the standards of the World Trade Or-
11 ganization in conjunction with membership in
12 that Organization; and

13 (C) make financial and fiscal reforms, as
14 well as the United States Department of Agri-
15 culture providing support to promote greater
16 agribusiness linkages.

17 (3) AGRICULTURAL MARKET LIBERALIZA-
18 TION.—The Agency for International Development
19 devoting up to \$15,000,000 annually as part of the
20 multi-year Africa Food Security Initiative to help
21 address such critical agricultural policy issues as
22 market liberalization, agricultural export develop-
23 ment, and agribusiness investment in processing and
24 transporting agricultural commodities.

1 (4) TRADE PROMOTION.—The Trade Develop-
 2 ment Agency increasing the number of reverse trade
 3 missions to growth-oriented countries in sub-Saha-
 4 ran Africa.

5 (5) TRADE IN SERVICES.—Efforts by United
 6 States embassies in the countries in sub-Saharan Af-
 7 rica to encourage their host governments—

8 (A) to participate in the ongoing negotia-
 9 tions on financial services in the World Trade
 10 Organization;

11 (B) to revise their existing schedules to the
 12 General Agreement on Trade in Services of the
 13 World Trade Organization in light of the suc-
 14 cessful conclusion of negotiations on basic tele-
 15 communications services; and

16 (C) to make further commitments in their
 17 schedules to the General Agreement on Trade
 18 in Services in order to encourage the removal of
 19 tariff and nontariff barriers and to foster com-
 20 petition in the services sector in those countries.

21 **SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUC-**
 22 **TURE FUNDS.**

23 (a) INITIATION OF FUNDS.—It is the sense of the
 24 Congress that the Overseas Private Investment Corpora-
 25 tion should, within 12 months after the date of the enact-

1 ment of this Act, exercise the authorities it has to initiate
 2 2 or more equity funds in support of projects in the coun-
 3 tries in sub-Saharan Africa.

4 (b) STRUCTURE AND TYPES OF FUNDS.—

5 (1) STRUCTURE.—Each fund initiated under
 6 subsection (a) should be structured as a partnership
 7 managed by professional private sector fund man-
 8 agers and monitored on a continuing basis by the
 9 Corporation.

10 (2) CAPITALIZATION.—Each fund should be
 11 capitalized with a combination of private equity cap-
 12 ital, which is not guaranteed by the Corporation,
 13 and debt for which the Corporation provides guaran-
 14 ties.

15 (3) TYPES OF FUNDS.—

16 (A) EQUITY FUND FOR SUB-SAHARAN AF-
 17 RICA.—One of the funds should be an equity
 18 fund, with assets of up to \$150,000,000, the
 19 primary purpose of which is to achieve long-
 20 term capital appreciation through equity invest-
 21 ments in support of projects in countries in
 22 sub-Saharan Africa.

23 (B) INFRASTRUCTURE FUND.—One or
 24 more of the funds, with combined assets of up
 25 to \$500,000,000, should be used in support of

1 infrastructure projects in countries of sub-Saha-
 2 ran Africa. The primary purpose of any such
 3 fund would be to achieve long-term capital ap-
 4 preciation through investing in financing for in-
 5 frastructure projects in sub-Saharan Africa, in-
 6 cluding for the expansion of businesses in sub-
 7 Saharan Africa, restructurings, management
 8 buyouts and buyins, businesses with local own-
 9 ership, and privatizations.

10 (4) EMPHASIS.—The Corporation shall ensure
 11 that the funds are used to provide support in par-
 12 ticular to women entrepreneurs and to innovative in-
 13 vestments that expand opportunities for women and
 14 maximize employment opportunities for poor individ-
 15 uals.

16 **SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION**
 17 **AND EXPORT-IMPORT BANK INITIATIVES.**

18 (a) OVERSEAS PRIVATE INVESTMENT CORPORA-
 19 TION.—

20 (1) BOARD OF DIRECTORS TO INCLUDE MEM-
 21 BER WITH PRIVATE SECTOR EXPERIENCE IN SUB-SA-
 22 HARAN AFRICA.—Section 233(b) of the Foreign As-
 23 sistance Act of 1961 (22 U.S.C. 2193(b)) is amend-
 24 ed in the first paragraph by inserting after the fifth
 25 sentence the following: “At least one of the eight Di-

1 rectors appointed under the fourth sentence shall
 2 have extensive private sector experience in sub-Saha-
 3 ran Africa.”.

4 (2) ADVISORY BOARD.—

5 (A) IN GENERAL.—Section 233 of the For-
 6 eign Assistance Act of 1961 is amended by add-
 7 ing at the end the following:

8 “(e) ADVISORY BOARD.—The Board shall take
 9 prompt measures to increase the loan, guarantee, and in-
 10 surance programs, and financial commitments, of the Cor-
 11 poration in sub-Saharan Africa, including through the es-
 12 tablishment and use of an advisory committee to assist
 13 the Board in developing and implementing policies, pro-
 14 grams, and financial instruments designed to support the
 15 expansion of, and increase in, the provision of loans, guar-
 16 antees, and insurance with respect to sub-Saharan Africa.
 17 In addition, the advisory board shall make recommenda-
 18 tions to the Board on how the Corporation can facilitate
 19 greater support by the United States for trade and invest-
 20 ment with and in sub-Saharan Africa.”.

21 (B) REPORTS TO THE CONGRESS.—Within
 22 6 months after the date of the enactment of
 23 this Act, and annually for each of the 4 years
 24 thereafter, the Board of Directors of the Over-
 25 seas Private Investment Corporation shall sub-

1 mit to the Congress a report on the steps that
 2 the Board has taken to implement section
 3 233(e) of the Foreign Assistance Act of 1961
 4 and any recommendations of the advisory board
 5 established pursuant to such section.

6 (b) EXPORT-IMPORT BANK.—

7 (1) BOARD OF DIRECTORS TO INCLUDE MEM-
 8 BER WITH PRIVATE SECTOR EXPERIENCE IN SUB-SA-
 9 HARAN AFRICA.—Section 3(c)(8)(B) of the Export-
 10 Import Bank Act of 1945 (12 U.S.C. 635a(c)(8)(B))
 11 is amended by inserting “, and one such member
 12 shall be selected from among persons who have ex-
 13 tensive private sector experience in sub-Saharan Af-
 14 rica” before the period.

15 (2) ADVISORY BOARD.—

16 (A) IN GENERAL.—Section 3 of such Act
 17 (12 U.S.C. 635a) is amended by adding at the
 18 end the following:

19 “(f) The Board of Directors shall take prompt meas-
 20 ures to increase the loan, guarantee, and insurance pro-
 21 grams, and financial commitments, of the Bank in sub-
 22 Saharan Africa, including through the establishment and
 23 use of an advisory committee to assist the Board of Direc-
 24 tors in developing and implementing policies, programs,
 25 and financial instruments designed to support the expan-

1 sion of, and increase in, the provision of loans, guarantees,
 2 and insurance with respect to sub-Saharan Africa. In ad-
 3 dition, the advisory board shall make recommendations to
 4 the Board of Directors on how the Bank can facilitate
 5 greater support by United States commercial banks for
 6 trade and investment with and in sub-Saharan Africa.”.

7 (B) REPORTS TO THE CONGRESS.—Within
 8 6 months after the date of the enactment of
 9 this Act, and annually for each of the 4 years
 10 thereafter, the Board of Directors of the Ex-
 11 port-Import Bank shall submit to the Congress
 12 a report on the steps that the Board has taken
 13 to implement section 3(f) of the Export-Import
 14 Bank Act of 1945 and any recommendations of
 15 the advisory board established pursuant to such
 16 section.

17 **SEC. 13. ESTABLISHMENT OF ASSISTANT UNITED STATES**
 18 **TRADE REPRESENTATIVE FOR SUB-SAHARAN**
 19 **AFRICA.**

20 (a) ESTABLISHMENT.—The President shall establish
 21 a position of Assistant United States Trade Representa-
 22 tive within the Office of the United States Trade Rep-
 23 resentative to focus on trade issues relating to sub-Saha-
 24 ran Africa.

1 (b) FUNDING AND STAFF.—The President shall en-
 2 sure that the Assistant United States Trade Representa-
 3 tive appointed pursuant to paragraph (1) has adequate
 4 funding and staff to carry out the duties described in
 5 paragraph (1).

6 **SEC. 14. REPORTING REQUIREMENT.**

7 The President shall submit to the Congress, not later
 8 than 1 year after the date of the enactment of this Act,
 9 and not later than the end of each of the next 4 1-year
 10 periods thereafter, a report on the implementation of this
 11 Act.

12 **SEC. 15. SUB-SAHARAN AFRICA DEFINED.**

13 For purposes of this Act, the terms “sub-Saharan Af-
 14 rica”, “sub-Saharan African country”, “country in sub-
 15 Saharan Africa”, and “countries in sub-Saharan Africa”
 16 refer to the following:

17 Republic of Angola (Angola)
 18 Republic of Botswana (Botswana)
 19 Republic of Burundi (Burundi)
 20 Republic of Cape Verde (Cape Verde)
 21 Republic of Chad (Chad)
 22 Republic of the Congo (Congo)
 23 Republic of Djibouti (Djibouti)
 24 State of Eritrea (Eritrea)
 25 Gabonese Republic (Gabon)

- 1 Republic of Ghana (Ghana)
- 2 Republic of Guinea-Bissau (Guinea-Bissau)
- 3 Kingdom of Lesotho (Lesotho)
- 4 Republic of Madagascar (Madagascar)
- 5 Republic of Mali (Mali)
- 6 Republic of Mauritius (Mauritius)
- 7 Republic of Namibia (Namibia)
- 8 Federal Republic of Nigeria (Nigeria)
- 9 Democratic Republic of Sao Tomé and Príncipe
- 10 (Sao Tomé and Príncipe)
- 11 Republic of Sierra Leone (Sierra Leone)
- 12 Somalia
- 13 Kingdom of Swaziland (Swaziland)
- 14 Republic of Togo (Togo)
- 15 Republic of Zaire (Zaire)
- 16 Republic of Zimbabwe (Zimbabwe)
- 17 Republic of Benin (Benin)
- 18 Burkina Faso (Burkina)
- 19 Republic of Cameroon (Cameroon)
- 20 Central African Republic
- 21 Federal Islamic Republic of the Comoros
- 22 (Comoros)
- 23 Republic of Côte d'Ivoire (Côte d'Ivoire)
- 24 Republic of Equatorial Guinea (Equatorial
- 25 Guinea)

- 1 Ethiopia
- 2 Republic of the Gambia (Gambia)
- 3 Republic of Guinea (Guinea)
- 4 Republic of Kenya (Kenya)
- 5 Republic of Liberia (Liberia)
- 6 Republic of Malawi (Malawi)
- 7 Islamic Republic of Mauritania (Mauritania)
- 8 Republic of Mozambique (Mozambique)
- 9 Republic of Niger (Niger)
- 10 Republic of Rwanda (Rwanda)
- 11 Republic of Senegal (Senegal)
- 12 Republic of Seychelles (Seychelles)
- 13 Republic of South Africa (South Africa)
- 14 Republic of Sudan (Sudan)
- 15 United Republic of Tanzania (Tanzania)
- 16 Republic of Uganda (Uganda)
- 17 Republic of Zambia (Zambia)

